

## AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Decatur-Hamilton Quick Response Unit	County Van Buren
Audit Date June 30, 2006	Opinion Date October 3, 2006	Date Accountant Report Submitted to State: December 6, 2006	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable boxes for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL: 129/91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

### We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	X
Reports on individual federal financial assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	X
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	X

Certified Public Accountant (Firm Name) Yeo & Yeo, P.C. CPAs			
Street Address 710 E. Milham Ave	City Kalamazoo	State MI	ZIP 49002
Accountant Signature <i>Carol A. Right</i>			

**Decatur-Hamilton Quick Response Unit  
Van Buren County**

**Annual Financial Statements  
and  
Auditors' Report**

**June 30, 2006**

## Table of Contents

<u>Section</u>	<u>Page</u>
1 <b>List of Elected and Appointed Officials</b>	1 – 1
2 <b>Independent Auditors' Report</b>	2 – 1
3 <b>Management's Discussion and Analysis</b>	3 – 1
4 <b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Assets	4 – 1
Statement of Activities	4 – 2
Fund Financial Statements	
Governmental Funds	
Balance Sheet	4 – 3
Reconciliation of Fund Balances of Governmental Funds to Net Assets of Governmental Activities	4 – 4
Statement of Revenues, Expenditures and Changes in Fund Balances	4 – 5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4 – 6
Notes to Financial Statements	4 – 7
5 <b>Required Supplemental Information</b>	
Budgetary Comparison Schedule	
General Fund	5 – 1

**Decatur-Hamilton Quick Response Unit**  
**List of Elected and Appointed Officials**  
**June 30, 2006**

---

Board Members

Carl Wickett	Chairman
Carl Druskovich	Vice Chairman
Jason Jones	Secretary
James Creagan	Treasurer
Terry Newell	Member
Daniel McKeeby	Member
Joe Parish	Member



710 E. Milham  
Kalamazoo, MI 49002  
Phone (269) 329-7007 / (800) 375-3968  
Fax (269) 329-0626

## Independent Auditors' Report

Members of the Board  
Decatur-Hamilton Quick Response Unit

We have audited the accompanying financial statements of the governmental activities, and general fund, of the Decatur-Hamilton Quick Response Unit as of and for the year ended June 30, 2006, which collectively comprise the Unit's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Unit's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and general fund of Decatur-Hamilton Quick Response Unit as of June 30, 2006 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Yeo & Yeo, P.C.*

October 3, 2006  
Kalamazoo, Michigan

# **Decatur-Hamilton Quick Response Unit**

## **Management's Discussion and Analysis**

### **June 30, 2006**

---

The management of the Decatur-Hamilton Quick Response Unit (the Unit) provides a narrative overview of the Unit's financial activities for the fiscal year that ended on June 30, 2006. Please read it in conjunction with the Unit's financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The Unit's total net assets increased by \$2,849 as a result of this year's activities.
- Of the \$184,883 total net assets reported, \$74,079 is unrestricted, or available to be used at the Unit's discretion.
- The General Fund's fund balance at the end of the fiscal year was \$74,079, which represents 38 percent of the actual total General Fund expenditures for the current fiscal year.

#### **Overview of the financial statements**

The Unit's basic financial statements are comprised of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Unit:

- The statement of net assets and the statement of activities are government-wide financial statements that provide both long-term and short-term information about the Unit's overall financial status.
- The governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance are fund financial statements that tell how general government services, like public safety, were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

#### **Government-wide financial statements**

The government-wide financial statements report information about the Unit as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Unit's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

**Decatur-Hamilton Quick Response Unit**  
**Management's Discussion and Analysis**  
**June 30, 2006**

---

The two government-wide statements report the Unit's net assets and how they have changed. Net assets (the difference between the Unit's assets and liabilities) is one way to measure the Unit's financial health or position.

- Over time, increases or decreases in the Unit's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Unit, consideration must be given to additional non-financial factors such as changes in the Unit's intergovernmental support and the condition of the Unit's capital assets.

The government-wide financial statements are shown in a single category, since the Unit provides one basic governmental service – emergency response.

**Fund financial statements**

The fund financial statements provide more detailed information about the Unit's sole fund – not the Unit as a whole. Funds are accounting devices that the Unit uses to keep track of specific sources of funding and spending for particular purposes.

The Unit has one fund, which focuses on (1) how cash, and other financial assets that can be readily converted to cash, flow in and out and, (2) the balances left at yearend that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Unit's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements that explain the relationship between them.

**Decatur-Hamilton Quick Response Unit**  
**Management's Discussion and Analysis**  
**June 30, 2006**

---

**FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE**

**Net Assets.** Total net assets at the end of the fiscal year were \$184,883, an increase of 1.5 percent compared to the prior year. Of this total, \$110,804 is invested in capital assets. Consequently, unrestricted net assets were \$74,079, or 40 percent of the total.

	<u>2006</u>	<u>2005</u>
Assets		
Current assets	\$ 74,696	\$ 88,987
Capital assets	<u>110,804</u>	<u>121,859</u>
Total assets	<u>185,500</u>	<u>210,846</u>
Current liabilities	<u>617</u>	<u>28,812</u>
Net assets		
Invested in capital assets; net of related debt	110,804	93,047
Unrestricted	<u>74,079</u>	<u>88,987</u>
Total net assets	<u>\$ 184,883</u>	<u>\$ 182,034</u>



**Decatur-Hamilton Quick Response Unit**  
**Management's Discussion and Analysis**  
**June 30, 2006**

---

**Changes in net assets.** The Unit's total revenues are \$57,516. Over 89 percent of the Unit's revenues come from intergovernmental support.

*Condensed financial information*  
*Changes in Net Assets*

	June 30,	
	<u>2006</u>	<u>2005</u>
Program revenues		
Intergovernmental support	\$ 51,701	\$ 48,721
Other	5,815	15,810
Total program revenues	<u>57,516</u>	<u>64,531</u>
Expenses		
Health and welfare - ambulance operations	54,622	50,844
Interest on debt	45	1,226
Total expenses	<u>54,667</u>	<u>52,070</u>
Increase in net assets	<u>\$ 2,849</u>	<u>\$ 12,461</u>

**Governmental activities**

Governmental activities increased the Unit's net assets by \$2,849. Key factors for this increase are as follows:

- Intergovernmental support continues to outstrip operating costs. There has not been a significant increase in demand for services, and operating costs have been stable.

**Decatur-Hamilton Quick Response Unit**  
**Management's Discussion and Analysis**  
**June 30, 2006**

---

**FINANCIAL ANALYSIS OF THE UNIT'S FUND**

**Governmental fund**

As of the end of the current fiscal year, the Unit's sole governmental fund reported a fund balance of \$74,079, an decrease of \$14,908, in comparison with the prior year.

The entire fund balance at yearend is available for spending at the Unit's discretion.

**General fund budgetary highlights**

There were no budget amendments during 2006. Actual revenues were approximately \$9,200 higher than their budgeted amounts and there were no significant variances between the budgeted and actual expenditures.

The General Fund is the chief operating fund of the Unit. At the end of the fiscal year, unreserved fund balance was \$74,079, which represents 98 percent of the actual total General Fund expenditures for the current fiscal year.

**Capital assets and debt administration**

*Capital assets* - The Unit's investment in capital assets for its governmental activities as of June 30, 2006, amounts to \$110,804 (net of accumulated depreciation). This investment includes various assets including vehicles, emergency response equipment, and building. The decrease in the Unit's net investment in capital assets for the current fiscal year was \$11,055.

Capital asset events during the current fiscal year included the acquisition of resuscitation equipment in the amount of \$14,800.

More detailed information about the Unit's capital assets is presented in Note 4 of the notes to the basic financial statements.

*Debt administration* – At the end of the fiscal year the Unit had no outstanding notes.

Decreases in long-term debt were the result of repayment of principal in the amount of \$28,812.

More detailed information about the Unit's long-term debt is presented in Note 5 of the notes to the basic financial statements.

**Decatur-Hamilton Quick Response Unit**  
**Management's Discussion and Analysis**  
**June 30, 2006**

---

**Economic condition and outlook**

The Unit's Operating Fund budget for the next year projects no increase in spending. A stagnant economy and no substantial revenue increase require that the Unit maintain conservative expenditure trends.

**Contacting the Department's financial management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Unit's finances and to demonstrate the Unit's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Jim Creagan, Treasurer  
Decatur-Hamilton Quick Response Unit  
124 Phelps Street  
P.O. Box 5  
Decatur, MI 49045

Telephone: 269.423.7014

**Decatur-Hamilton Quick Response Unit**  
**Statement of Net Assets**  
**June 30, 2006**

---

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b>Assets</b>	
Cash	\$ 72,992
Taxes receivable	1,704
Capital assets not being depreciated	2,500
Capital assets - net of accumulated depreciation	<u>108,304</u>
 Total assets	 <u>185,500</u>
 <b>Liabilities</b>	
Accounts payable	<u>617</u>
 <b>Net assets</b>	
Invested in capital assets, net of related debt	110,804
Unrestricted	<u>74,079</u>
 Total net assets	 <u><u>\$ 184,883</u></u>

See Accompanying Notes to the Financial Statements

**Decatur-Hamilton Quick Response Unit**  
**Statement of Activities**  
**For the Year Ended June 30, 2006**

		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Governmental Activities
Functions/Programs		
Governmental activities		
Health and welfare - ambulance operations	\$ 54,622	\$ (54,622)
Interest on long-term debt	45	(45)
	<u>54,667</u>	<u>(54,667)</u>
Total governmental activities	\$ 54,667	(54,667)
General revenues		
Intergovernmental support		51,701
Unrestricted investment earnings		212
Miscellaneous		<u>5,603</u>
Total general revenues		<u>57,516</u>
Change in net assets		2,849
Net assets - beginning of year		<u>182,034</u>
Net assets - end of year		<u><u>\$ 184,883</u></u>

See Accompanying Notes to the Financial Statements

**Decatur-Hamilton Quick Response Unit**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2006**

---

	<u>General</u>
<b>Assets</b>	
Cash	\$ 72,992
Taxes Receivable	<u>1,704</u>
 Total assets	 <u>\$ 74,696</u>
 <b>Liabilities</b>	
Accounts payable	<u>\$ 617</u>
 <b>Fund Balance</b>	
 Total fund balance	 <u>74,079</u>
 Total liabilities and fund balance	 <u>\$ 74,696</u>

See Accompanying Notes to the Financial Statements

**Decatur-Hamilton Quick Response Unit**  
**Governmental Funds**  
**Reconciliation Fund Balances of Governmental Funds**  
**to Net Assets of Governmental Activities**  
**June 30, 2006**

---

<b>Total fund balances for governmental funds</b>	\$ 74,079
---	-----------

Total net assets for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>110,804</u>
---	----------------

<b>Net assets of governmental activities</b>	<u><u>\$ 184,883</u></u>
--	--------------------------

See Accompanying Notes to the Financial Statements

**Decatur-Hamilton Quick Response Unit**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2006**

	<u>General</u>
<b>Revenues</b>	
Intergovernmental support	
Decatur Township	\$ 32,122
Hamilton Township	19,579
	<u>51,701</u>
Other	<u>5,815</u>
Total revenues	<u>57,516</u>
 <b>Expenditures</b>	
Health and welfare - ambulance operations	28,764
Capital outlay	14,803
Debt service	
Principal	28,812
Interest	45
	<u>72,424</u>
Total expenditures	
Net change in fund balance	(14,908)
Fund balance - beginning of year	<u>88,987</u>
Fund balance - end of year	<u><u>\$ 74,079</u></u>

See Accompanying Notes to the Financial Statements



**Decatur-Hamilton Quick Response Unit**  
**Governmental Funds**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2006**

---

<b>Net change in fund balances - Total governmental funds</b>	<b>\$ (14,908)</b>
---	--------------------

Total change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(25,858)
Capital outlay	14,803

Notes payable are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Repayments of long-term debt	<u>28,812</u>
------------------------------	---------------

<b>Change in net assets of governmental activities</b>	<b>\$ <u>2,849</u></b>
--	------------------------

**Decatur-Hamilton Quick Response Unit**  
**Notes to Financial Statements**  
**June 30, 2006**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Decatur-Hamilton Quick Response Unit (the Unit) conform to United States generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies:

**Reporting entity**

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Unit. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Unit has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a blended or discretely-presented component unit in the Unit's financial statements. Also, the Unit is not a component unit of any other entity.

**Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all activities of the Unit. Currently, all activities of the Unit are classified as governmental activities, primarily supported by intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from

goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Intergovernmental support and other items not properly included among program revenues are reported instead as *general revenues*.

Financial statements are provided for the sole governmental fund as separate columns in the basic financial statements.

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources, measurement focus*, and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental revenues are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources, measurement focus*, and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

**Decatur-Hamilton Quick Response Unit**  
**Notes to Financial Statements**  
**June 30, 2006**

---

State grants, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The Unit reports a single major governmental fund, the General Fund, which accounts for all financial resources of the Unit.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenue* rather than as program revenue. Likewise, general revenue includes all intergovernmental support.

**Assets, liabilities, and net assets or equity**

*Bank Deposits* – cash consists of demand deposits and savings accounts.

*Capital Assets* – capital assets, which consist of vehicles, emergency response equipment and building, are reported in the government-wide financial statements. Capital assets are defined by the Unit as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Building and improvements	40 years
Vehicles	15 to 20 years
Emergency response equipment	5 to 15 years

*Fund Equity* – In the fund financial statements, the General Fund reports reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY**

**Budgetary information**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. The budget document presents information by function and line items. The legal level of budgetary control adopted by the governing body is the line item level. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

**Decatur-Hamilton Quick Response Unit**  
**Notes to Financial Statements**  
**June 30, 2006**

**NOTE 3 - DEPOSITS AND INVESTMENTS**

At yearend the Unit's deposits and investments were reported in the basic financial statements in the following categories:

Cash and Cash Equivalents

Governmental activities \$ 72,992

The breakdown between deposits and investments is as follows:

Bank deposits (checking and savings accounts, certificates of deposit) \$ 72,992

*Interest rate risk* – The government does not have a formal investment policy to manage its exposure to fair value losses from changes in interest rates.

*Credit risk* – State statutes and the government's investment policy authorize the government to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

*Concentration of credit risk* – The Unit has no policy that would limit the amount that may be issued in any one issuer.

*Custodial risk – deposits* – In the case of deposits, this is the risk that in the event of bank failure, the Unit's deposits may not be returned to it. The Unit does not have a policy for custodial credit risk. As of yearend, none of the Unit's bank balances of \$75,057 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**NOTE 4 - CAPITAL ASSETS**

Capital assets activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Building	\$ 22,500	\$ -	\$ -	\$ 22,500
Vehicles	95,668	-	-	95,668
Emergency response equipment	58,364	14,803	-	73,167
Total capital assets being depreciated	176,532	14,803	-	191,335
Less accumulated depreciation for:				
Building	4,829	562	-	5,391
Vehicles	28,706	19,134	-	47,840
Emergency response equipment	23,638	6,162	-	29,800
Total accumulated depreciation	57,173	25,858	-	83,031
Capital assets being depreciated, net	119,359	(11,055)	-	108,304
Capital assets not being depreciated - land	2,500	-	-	2,500
Net capital assets	<u>\$ 121,859</u>	<u>\$ (11,055)</u>	<u>\$ -</u>	<u>\$ 110,804</u>

**Decatur-Hamilton Quick Response Unit**  
**Notes to Financial Statements**  
**June 30, 2006**

---

**NOTE 5 - LONG-TERM DEBT**

The Unit's sole debt issue was the 2004 \$48,691 3.5% equipment acquisition note payable, bank. The Unit paid the entire balance due in July, 2005.

A summary of debt activity during the year ended June 30, 2006 is as follows:

Balance, beginning of year	\$	28,812
Debt issued		-
Repayments		<u>(28,812)</u>
Balance, end of year	\$	<u><u>-</u></u>

**NOTE 6 - RISK MANAGEMENT**

The Unit is exposed to various risks of loss due to general liability, property and casualty, and workers' compensation potential claims. The risks of loss arising from general liability up to \$1,000,000 aggregate, building contents and property damage, and workers' compensation coverage are managed through purchased commercial insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

**Decatur-Hamilton Quick Response Unit**  
**Required Supplemental Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental support				
Decatur Township	\$ 26,000	\$ 26,000	\$ 32,122	\$ 6,122
Hamilton Township	17,000	17,000	19,579	2,579
Total intergovernmental support	43,000	43,000	51,701	8,701
Interest income	300	300	212	(88)
Other revenue	5,000	5,000	5,603	603
Total revenues	48,300	48,300	57,516	9,216
<b>Expenditures</b>				
Health and welfare - ambulance operations				
Materials and services	15,000	15,000	18,001	3,001
Utilities	4,000	4,000	4,334	334
Insurance	5,000	5,000	3,387	(1,613)
Audit	1,950	1,950	1,950	-
Repairs and maintenance				
Building	1,600	1,600	-	(1,600)
Vehicle	500	500	428	(72)
Fuel	600	600	664	64
Total health and welfare	28,650	28,650	28,764	114
Capital outlay	17,693	17,693	14,803	(2,890)
Debt service				
Principal	28,812	28,812	28,812	-
Interest	45	45	45	-
Total expenditures	75,200	75,200	72,424	(2,776)

**Decatur-Hamilton Quick Response Unit**  
**Required Supplemental Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2006**

---

	Budgeted Amounts			Actual
	Original	Final	Actual	Over (Under) Final Budget
Change in fund balance	\$ (26,900)	\$ (26,900)	\$ (14,908)	\$ 11,992
Fund balance - beginning of year	<u>88,987</u>	<u>88,987</u>	<u>88,987</u>	<u>-</u>
Fund balance - end of year	<u>\$ 62,087</u>	<u>\$ 62,087</u>	<u>\$ 74,079</u>	<u>\$ 11,992</u>